

# ALERT

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## Costly Anti-Business Bills Pass Legislature to Governor

Numerous proposals that make it more difficult and more expensive to do business in California passed the Legislature in the closing days of the legislative session.

Of six “job killer” bills still alive in the last week of the session, just two passed the Legislature. Other anti-business proposals also won legislative approval.

In a state where business operating costs average 19% higher per job than elsewhere in the nation, the negative impact of the CalChamber-opposed bills should not be ignored.

Lawmakers rejected a “job killer” allowing unproven wage liens. In addition, the California Chamber of Commerce was able to secure amendments to reduce the impact of the paid sick leave bill, removing the “job killer” designa-

tion, but not CalChamber opposition.

Amendments led to the removal of both CalChamber opposition and the “job killer” label for legislation that would have substantially expanded the California Environmental Quality Act (CEQA) process by mandating consultation with Native American tribes on certain projects.

### ‘Job Killers’



• **To Governor:**  
**AB 2617 (Weber; D-San Diego)**  
**Interference with Arbitration Agreements and Settlement Agreements.** Unfairly prohib-

See *Costly Anti-Business*: Page 4

## Bill to Restore Tax Credit Funding Goes to Governor



A California Chamber of Commerce-supported job creator bill to restore full

funding to the California Competes Tax Credit program awaits action by the Governor after passing the Legislature in the closing hours of the session.

**AB 1560 (Quirk-Silva; D-Fullerton)** ensures California remains a competitive environment for employer investment.

### Bipartisan Support

An urgency measure, AB 1560 passed the Senate and Assembly with overwhelming bipartisan support.

Last year, Governor Edmund G. Brown Jr. signed legislation that created a new tax credit program administered by the Governor’s Office of Business and Economic Development (GO-Biz). This program enables GO-Biz to negotiate agreements and provide economic incentives to employers in exchange for investment and employment expansion in California.

Employers must apply for this program and, before awarding any incentives, GO-Biz evaluates each application based on a number of factors, including the number of jobs created, the amount of wages and benefits provided to employees, the duration of the investment, and the overall size of the investment in the state.

In addition 25% of the funds awarded must be provided to small business.

See *Bill to Restore Tax Credit*: Page 2

## Mexico President, Governor Strengthen Ties



Photo by Robert Durrell  
Governor Edmund G. Brown Jr. welcomes President of Mexico Enrique Peña Nieto (left) to Sacramento and California at an August 26 CalChamber-supported State Luncheon building on the July trade mission to Mexico. [Story on Page 7.](#)

### Inside

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## Labor Law Corner

# Makeup Time Sometimes OK for Employees on Alternative Workweek



**Gary Hermann**  
HR Adviser

*Is makeup time available to employees working an alternative workweek?*

Yes, in some instances!

Section 513 of the California Labor Code spells out the criteria for makeup time: "If an employer approves a written request of an employee to make up work time that is or would be lost as a result of a personal obligation of the employee, the hours of that makeup work time, if per-

formed in the same workweek in which the work time was lost, may not be counted towards computing the total number of hours worked in a day" for overtime computation.

### Overtime Pay

It should be noted that the section does require the payment of overtime for hours in excess of 11 in one day and 40 in the workweek. Of course, the 11-hour daily limit would prevent the use of makeup time in a health care industry 12-hour day alternative workweek.

Thus, while the section does not prohibit the use of makeup time for employees working an alternative workweek, the usage is far more limited than for employees not working an alternative workweek.

For instance, an employee on a four 10-hour day alternative workweek, who needed to take five hours off one day, would have only one hour each of the next three days to make up that time without an overtime liability.

### Wage Order Flexibility

Better flexibility is provided in Section (B)(1) of the Industrial Welfare

Commission orders dealing with alternative workweeks. That section provides that nothing shall prohibit an employer, at the request of an employee, to substitute one day of work for another day of the same length on an occasional basis to meet the personal needs of the employee without the payment of overtime.

If an employee on a four 10-hour day alternative workweek misses a day, he/she can request to work another 10-hour day, outside the schedule as a substitution, without any overtime liability.

The last paragraph in Labor Code Section 513 does prohibit employers from encouraging or otherwise soliciting employees to request makeup time to avoid the payment of overtime. It should also be noted, however, that an employer is not required to allow either makeup time or substitute days.

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*The Labor Law Helpline is a service to California Chamber of Commerce preferred and executive members. For expert explanations of labor laws and Cal/OSHA regulations, not legal counsel for specific situations, call (800) 348-2262 or submit your question at [www.hrcalifornia.com](http://www.hrcalifornia.com).*

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## Bill to Restore Tax Credit Funding

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### Successful Program

The program proved to be very successful in its first year—the fund was oversubscribed by \$470 million. The awards that were approved by GO-Biz are projected to create nearly 6,000 jobs and generate more than \$2 billion in investments.

Unfortunately, recently enacted legislation reduces the amount of funding in future years, weakening a valuable eco-

nomie tool that has contributed to a more competitive environment in the state.

AB 1560 authorizes the Department of Finance to restore funding to the program and, in doing so, sends a strong message to employers that California favors economic policies that make the state more investment-friendly.

The CalChamber will be asking the Governor to **sign AB 1560**.

**Staff Contact: Jeremy Merz**

Quick Answers  
to Tough  
HR Questions

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# Environmental Law Reform: Best Prospect Appears at California Supreme Court



Loren Kaye

The best prospect for reform of the California Environmental Quality Act (CEQA) is no longer with the Legislature or the Governor, but at the California Supreme Court.

Over the past several years, hopes were high that the political branches would dig in to drain the CEQA litigation swamp. Governor Edmund G. Brown Jr. famously called CEQA reform the “Lord’s work.” Outgoing Senate leader Darrell Steinberg made reform of this law an “agenda priority” in 2013.

But for all the sound and fury—not incidentally as California struggled to recover from a deep recession—the rhetoric signified nothing. The legislative reform efforts fizzled and even Governor Brown has expressed a diminished enthusiasm for reform. Indeed, one of the most significant CEQA bills over the past four years expanded its scope to include Native American religio-cultural beliefs.

## Enter the High Court

Though its motivations remain obscure, the Supreme Court is suddenly tackling highly relevant CEQA cases. Have the justices decided to finally step into a policy chasm vacated by the political branches? Or have they recognized that most of CEQA’s litigation land mines were created by the courts themselves—with vague and sometimes contradictory case law inviting litigation rather than clarifying the law?

## Landmark Decision

Just last month, the court released a decision that could profoundly change the political dynamics of CEQA ([see August 15 Alert](#)).

[Tuolumne Jobs and Small Business Alliance v. Superior Court](#) held that direct adoption by a city or county of a land use initiative ordinance does not require any CEQA review.

The upshot is a motivated applicant could avoid not just the post-environmental impact report (EIR) litigation, but even the EIR itself by submitting signatures of 15% of registered voters for an initiative ordinance to a friendly local government. (Most of the key environmental mitigations would already be required under the independent

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## Guest Commentary By Loren Kaye

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authority of other environmental laws and regulators.) The local government could then adopt the initiative proposal itself within a relatively short time frame.

## Unanimous Opinion

In its unanimous opinion, the court addressed this scenario head-on: “Appellants warn that developers could potentially use the initiative process to evade CEQA review, and that direct adoption by a friendly city council could be pursued as a way to avoid even the need for an election. Of course, the initiative power may also be used to thwart development. However, these concerns are appropriately addressed to the Legislature. The process itself is neutral. The possibility that interested parties may attempt to use initiatives to advance their own aims is part of the democratic process.”

This approach would have some limitations: it applies only to quasi-legislative actions like adoption of a zoning amendment or specific plan. But it is an excellent way to deal with opposition from NIMBYs (not in my back yard) or outside interests that parachute in with larger agendas. It would not be a viable

strategy for those who simply want to short-circuit environmental laws.

With this decision, the court has changed the playing field—at least for larger projects. It would not be a surprise to see project proponents developing a political strategy that lines up an initiative signature-gathering effort in tandem with advocacy before a city council. A savvy approach that includes responsible analysis, mitigation, transparency and community outreach may enable a litigation-free project approval environment.

## More Cases Ahead

But wait, there’s more.

The court has lined up another half dozen significant CEQA cases on its docket that could be argued and decided over the next year or so. The cases are central to the issues that tie up projects in litigation: Must developers respond to effects of the environment on the project (aka “CEQA in reverse”)? What are the appropriate standards for greenhouse gas reductions? How can agencies use categorical exemptions?

In some cases, the Supreme Court will resolve conflicts among lower courts; in others it has the opportunity to untangle ambiguous findings in controlling cases.

Depending on the clarity of the opinions, these cases could bring uncharacteristic certainty and predictability to large chunks of CEQA jurisprudence.

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*Loren Kaye is president of the [California Foundation for Commerce and Education](#), a nonprofit think tank affiliated with the California Chamber of Commerce.*

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## Costly Anti-Business Bills Pass Legislature to Governor

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its the enforcement of arbitration agreements or pre-litigation settlement agreements that require the individual to waive their right to pursue a civil action for the alleged violation of civil rights.

- **To Governor: [AB 1897 \(R. Hernández; D-West Covina\)](#) **Contractor Liability.** Unfairly imposes liability on a contracting entity for the contractor's wage and hour violations and lack of workers' compensation coverage despite the lack of any evidence that the contracting entity controlled the working conditions or wages of the contractor's employees.**

- **Amended: [AB 1522 \(Gonzalez; D-San Diego\)](#) **Paid Sick Leave.** Before amendments, would have increased employer mandates by requiring all employers, large and small, to provide all employees in California with paid sick leave, and threatened employers with statutory penalties and litigation under the Private Attorneys General Act (PAGA) for alleged violations. *Passed Senate and Assembly following amendments removing "job killer" designation. CalChamber still opposes.***

- **Amended: [AB 52 \(Gatto; D-Los Angeles\)](#) **Substantial Expansion of CEQA.** Before amendments, created substantially more opportunities for CEQA litigation and gave Native American Tribes veto authority over land use projects by allowing tribes to determine what tribal resources required protection and mitigation under CEQA. *Opposition and "job killer" status removed due to August 22, 2014 amendments. Passed Senate and Assembly with bipartisan support.***

- **Rejected: [AB 2416 \(Stone; D-Scotts Valley\)](#) **Unproven Wage Liens.** Creates a dangerous and unfair precedent in the wage and hour arena by allowing employees to file liens on an employer's real or personal property, or property where work was performed, based upon alleged yet unproven wage claims. *Failed passage in Senate, 13-15, August 28.***

- **Failed: [SB 1372 \(DeSaulnier; D-Concord\)](#) **Increased Tax Rate.** Threatens to significantly increase the corporate tax rate on publicly held corporations and financial institutions up to 15% according to the wages paid to employees in the United States, and threatens to increase that rate by 50%**

thereafter, if the corporation or institution reduces its workforce in the United States and simultaneously increases its contractors. *Failed passage in Senate, 18-17, August 28.*

### Anti-Business Bills to Governor



## OPPOSE

Prematurely allocates auction revenues to fund zero and near-zero emission truck and bus technologies.

- **[SB 812 \(de León; D-Los Angeles\)](#) **Creates Unworkable Permitting System for Hazardous Waste Facilities.** Fundamentally undermines the Department of Toxic Substances Control's recently proposed plan to issue protective and timely hazardous waste permits by creating extraordinarily aggressive and arbitrary permit processing timelines.**

- **[AB 1739 \(Dickinson; D-Sacramento\)](#) **Premature Regulations.** Potentially devalues land prices of commercial and agricultural properties by limiting groundwater rights on which credit worthiness is based by requiring groundwater management plans without careful and thoughtful review of all monitoring data and without clear definitions or directions.**

- **[SB 1168 \(Pavley; D-Agoura Hills\)](#) **Premature Regulations.** Potentially devalues land prices of commercial and agricultural properties by limiting groundwater rights on which credit worthiness is based by requiring groundwater management plans without careful and thoughtful review of all monitoring data and without clear definitions or directions.**

#### Increased Labor Costs

- **[AB 1723 \(Nazarian; D-Sherman Oaks\)](#) **Labor Commissioner Investigation.** Expands the authority of the labor commissioner to issue waiting time penalties during the citation process instead of just the administrative hearing, without setting forth the basis of the penalty in citation.**

- **[AB 1556 \(Perea; D-Fresno\)](#) **Unemployment Insurance Tax Increase Risk.** Prematurely adopts new statutes**

while rules and decisions from the federal Department of Labor regarding state requirements for waivers of looming unemployment insurance tax hikes are pending.

- **[AB 2616 \(Skinner; D-Berkeley\)](#) **Expands Costly Presumptions.****

Increases workers' compensation costs for public and private hospitals by presuming certain diseases and injuries are caused by the workplace.

- **[SB 25 \(Steinberg; D-Sacramento\)](#) **Due Process for Agricultural Employers.** Denies due process for agricultural employers by requiring employer to implement a collective bargaining contract ordered by the Agricultural Labor Relations Board while appealing the order, unless the employer meets a high standard to win a stay.**

#### Increased Health Care Costs

- **[AB 1792 \(Gomez; D-Los Angeles\)](#) **Publicly Shames Employers.** Unfairly targets the largest employers in California who have more than 100 employees enrolled in Medi-Cal for inclusion in an online list, exposing them to liability, public protests and media attacks, without regard to the rising cost of health care and other factors that often make health care coverage prohibitively expensive for employers.**

- **[AB 1962 \(Skinner; D-Berkeley\)](#) **Dental Coverage.** Inappropriately assumes the outcome of the examination of dental plan premiums it requires, which could lead to unnecessary and detrimental regulation of the most affordable plans.**

- **[SB 1094 \(Lara; D-Huntington Park/Long Beach\)](#) **Interference with Private Contracts.** Inappropriately interferes with the ability of successful health facilities operators to purchase or merge with struggling hospitals, increasing the risk and cost of financing for these transactions, by allowing the California Attorney General to retroactively amend the terms of the transfer agreement for up to five years rather than resorting to traditional remedies when she unilaterally determined that one of the parties has breached the contract or made material misrepresentations.**

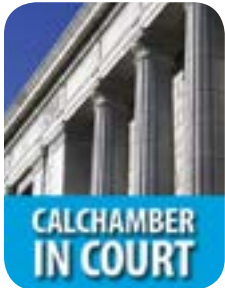
#### Increased Litigation Exposure

- **[SB 610 \(Jackson; D-Santa Barbara\)](#) **Expansion of Litigation for Franchisors.** Unfairly limits a franchisor's**

*See Next Page*

*CalChamber in Court*

# Court Issues Employer-Friendly Ruling on Sexual Harassment/Franchisor Liability



The California Supreme Court ruled on August 28 that a franchisor can't be held vicariously liable for unlawful conduct by a franchisee's employee, where the franchisor

exercises no control over the franchisee's relevant day-to-day operations, such as hiring, supervising and disciplining employees.

The case was [\*Patterson v. Domino's Pizza, LLC\*](#). The California Chamber of Commerce filed a joint friend-of-the-court brief with the Employers Group and the California Employment Law Council in support of Domino's Pizza.

In reaching its conclusion, the court found that no employment or agency relationship existed between the franchisor and its franchisee to support the plaintiff's claim that the franchisor should be vicariously liable for the acts of the franchisee's supervisor/employee.

## Background

This case arises out of a sexual harassment claim filed by a former employee of

a Domino's Pizza franchise. The former employee alleged that her supervisor sexually harassed her, and she filed suit against the supervisor, the franchisee and Domino's Pizza (the franchisor).

The key issue in the case centered on whether the plaintiff could establish that Domino's Pizza, the franchisor, should be liable for the sexually harassing conduct committed by the franchisee's supervisor/employee.

## 'Day-to-Day Decisions'

The court focused on the fact that the franchisee, not Domino's Pizza (the franchisor), retained control over the "day-to-day decisions involving the hiring, supervision, and disciplining of his employees."

The franchisee established its own personnel policies and controlled any training the employees received about how to treat each other at work and how to avoid sexual harassment.

In addition, the franchisee agreement that governed the franchisor/franchisee relationship gave no authority to Domino's Pizza over the management of the franchisee's employees.

Based on the facts presented in the case, the court concluded that a "franchisor will be liable if it has retained or

assumed the right of general control over the relevant day-to-day operations at its franchised locations that we have described, and cannot escape liability in such a case merely because it failed or declined to establish a policy with regard to that particular conduct."

However, the court cautioned that its ruling does not mean that franchisors can never be held accountable for sexual harassment occurring at a franchised location.

## More Details

For CalChamber members, the case will be covered in more detail in an upcoming issue of the [\*HRCalifornia Extra e-newsletter\*](#).

**Staff Contact: Erika Frank**

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ability to terminate a franchisee agreement with a poor-performing franchise and substantially increases litigation by limiting the termination of a contract to only a "substantial, material breach," which is undefined, and only after the franchise has been provided a 30-day right to cure.

## Amended

- Following August 28 amendments, the CalChamber had **no position** on [\*\*SB 1182 \(Leno; D-San Francisco\)\*\*](#) The bill originally created unnecessary oversight of health plans. It would have imposed unnecessary new administrative burdens

on health plans and insurers by requiring them to file rate information about proposed large group rate increases exceeding 5% with their departments 60 days prior to any rate increase, and to annually disclose aggregate data about all large group rate filings and make that information available to certain purchasers for free upon request.

## No Vote

- Never taken up for a vote on the Assembly floor was **CalChamber-opposed SB 1139 (Hueso; D-Logan Heights)**, a geothermal procurement mandate. SB 1139 would have increased the cost of energy and threatened current

renewable generation jobs by requiring the procurement of 500 megawatts of new geothermal energy.

- Pending on the Senate floor, but not voted upon was **CalChamber-opposed AB 2533 (Ammiano; D-San Francisco)**, which would have undermined managed care. AB 2533 would have significantly increased health care costs and made premiums less affordable for employers by requiring health care service plans, in some cases, to arrange out-of-network care with noncontracting providers regardless of their rates.

*Small Business Advocate of Year Award*

**SF Entrepreneur Gets Involved to Promote Change in Community**



**Mark Dwight**

“When I was a young professional working in tech companies in Silicon Valley, it never occurred to me to get involved in local government,” says Mark Dwight, founder and owner of

Rickshaw Bagworks.

“I didn’t know anything about the chamber of commerce, I didn’t know anything about my local government supervisors, and I didn’t have any notion that there was legislation that might affect business.”

Dwight, a 2014 recipient of the California Chamber of Commerce [Small Business Advocate of the Year Award](#), gained a new perspective upon going into business, first as CEO and part-owner of local bag-maker Timbuk2 Designs (2002–2006), and eventually as founder and sole owner of Rickshaw Bagworks in 2007.

Watch a video about Mark Dwight at [youtu.be/x2N3R-mKIvA](http://youtu.be/x2N3R-mKIvA)

**Getting Involved**

“I learned that what goes on at City Hall can affect my business and my bottom line, so it became clear to me that I needed to get involved,” Dwight says. “Owning my own business, starting my own company here at Rickshaw, and ultimately being the only owner here really became my platform for not only community engagement, but also civic engagement.”

At Rickshaw, Dwight oversees a team of 30 in operations and production who manufacture and sell custom messenger bags, backpacks, tote bags and assorted accessories. The business, located in the Dogpatch district of San Francisco, is open seven days a week, and Dwight often refers to Rickshaw as living at the intersection of bags and bikes, as much of its clientele are urban commuters and cyclists.

The Bay Area native worked for 20 years for high tech companies in Silicon Valley, including a four-year stint (1997–2001) at Cisco Systems before embarking on his own business endeavors.

**Community Roles**

Dwight’s current business community roles include being on the San Francisco Small Business Commission, the Board of Directors at the San Francisco Chamber of Commerce and a member of Potrero Hill Dogpatch Merchant Association.

In addition, Dwight’s innovative, business-minded perspective led to him founding SFMade, a 501(c)(3) nonprofit that focuses on building, developing and promoting the local manufacturing sector in San Francisco.

In 2004, he was recommended to a volunteer committee at City Hall, then in 2012, San Francisco Mayor Ed Lee named Dwight to the Small Business Commission, where he continues crusading for the needs of small businesses and micro-manufacturers.

“I think there’s a shortage of people that really get involved,” Dwight says. “There are lots of people who love to talk on the sidelines after decisions are made and talk about how it should have been different or how nobody at City Hall is listening to them or nobody knows what’s going on, but those people are not at the table when those decisions are being made.”

**Small Business Advocacy**

Dwight exudes a strong enthusiasm for his work and advocacy, and is quick to point out that there is an important call to action for small business owners.

“If you don’t have a small business advocacy group, then start one,” Dwight says. “If you do have one, join it, whether it’s a small business network or the chamber of commerce. Join a business organization in your city where leaders and businesses are getting together to discuss the important issues and then advocate on behalf of business at City Hall, locally, at the state level, and at the national level.”

**‘Keep Working at It’**

Dwight says advocacy makes a difference, even though it can be hard to see progress in a given moment.

“I’ve just been through this big long debate about minimum wage in San Fran-

cisco, and honestly, the outcome has been one that doesn’t really reflect all of the requests that were made by small business,” Dwight says. “So there’s a lot of angst about that right now, but the outcome is better than what might have happened. So sometimes it’s just incremental change, and you can’t really see it in the moment, but you’ve gotta have faith and you’ve gotta keep working at it.”

San Francisco businesses were faced with the prospect of competing ballot measures to increase the minimum wage, with the local chapter of the Service Employees International Union (SEIU) backing a measure to increase the local minimum wage from \$10.74 to \$15 an hour over several years. (The current state minimum wage is \$9 an hour.)

Dwight says Mayor Lee and others were able to convince SEIU to drop its proposed measure, allowing a single measure with a more reasonable four-year timeline for the increase.

**Challenges**

Doing business in San Francisco is a challenge, Dwight acknowledges.

“We have the highest minimum wage in the country,” Dwight says. “We have mandated PTO [paid time off]. We have onerous taxes and regulations. Not to mention one of the most expensive real estate environments in the country. So all of those things added together make San Francisco the most expensive, if not the most hostile city in the United States for small business.”

**Micro-Manufacturing Renaissance**

Nonetheless, Dwight’s strong, entrepreneurial spirit keeps him hopeful for the future.

“What I’m encouraged by is the renaissance in micro-manufacturing and the use of technology and the use of marketing and innovative business tactics to carve out niches in manufactured goods,” Dwight says. “I think there’s something important about making stuff. It’s a classic American notion of self-reliance.”

Dwight takes pride in his efforts to bring manufacturing back to the city.

“I’ve just been thrilled to make a contribution,” Dwight says. “It’s a worthwhile endeavor, that’s for sure.”

# President of Mexico, Governor Brown Continue Momentum of Trade Mission

On the last day of his first trip to the United States as president of Mexico, President Enrique Peña Nieto visited the state capital, where he attended a luncheon and met privately with Governor Edmund G. Brown Jr. and other elected officials.

The August 26 luncheon and meetings build upon Governor Brown's trade mission to Mexico, July 27–30. During his trip, Governor Brown met privately with President Peña and signed several memorandums of understanding on trade, education and climate change with Mexican officials.

The trade mission was organized by the California Chamber of Commerce with the assistance of the California Foundation for Commerce and Education. CalChamber's support for the August 26 luncheon was acknowledged with thanks.

## Luncheon Attendees

Members of the California Senate and Assembly attended the luncheon, including Senate President Pro Tempore Darrell Steinberg (D-Sacramento), Assembly Speaker Toni Atkins (D-South Park/Golden Hill) and Senate President Pro Tempore Elect Kevin de León (D-Los Angeles). Also in attendance were members of the California Supreme Court, including Chief Justice Tani Cantil-Sakauye, and business delegates from the 2014 Gubernatorial Trade Mission to Mexico.

Mexican dignitaries also were present at the lunch, including: Jose Antonio Meade Kuribreña, Secretary of Foreign Affairs; Sergio M. Alcocer Martinez de Castro, Undersecretary for Foreign Affairs, North America; Eduardo Medina Mora Icaza, Ambassador of Mexico to the United States; Ambassador Carlos González Gutiérrez, Consul General of Mexico in Sacramento; Ildefonso Guajardo Villareal, Secretary of Economy; and Earl Anthony Wayne, U.S. Ambassador to Mexico.

## California: The Leading Edge

During the luncheon, Governor Brown welcomed the President to Sacramento and California. Brown began by



Photo by Robert Durrell

Mexico President Peña addresses attendees at the State Luncheon.

saying that California and Mexico's shared history and heritage is long and deep and continues.

"The past is only prologue to an even brighter future in the days and years ahead," Brown said. He added that it's appropriate that President Peña's first visit to the United States is to California, as "California *is* the leading edge of the United States [emphasis added]."

## President Peña's Remarks

The President shared some of the subjects he and Governor Brown discussed in Mexico in July and will continue to discuss, such as education, infrastructure, and border trade and transportation.

What is clear, President Peña said, is that the relationship between Mexico and California intensifies more and more each day. Commerce between the two economies totals more than \$60 billion and it continues to grow, he said. In addition to this, Mexico is working to make the border safer and improve transit times, not only with California, but with other border states.

During his remarks, President Peña said it is no accident that his first trip as

President of Mexico to the United States is to California. California is the most important state that is inhabited by citizens of Mexican heritage, the President said, emphasizing that 12 million people living in California are of Mexican descent and one in three Californians are of Mexican origin.

Mexico, the President said, recognizes and supports Governor Brown's efforts to expand the friendship between Mexico and the United States, and between Mexico and Californians. It's clear that a new vision is emerging in California, the President said—"a vision that is accordingly congruent with the advances and evolution of our societies in the 21st century... Instead of finding differences, there's an acknowledgement of the cultural diversity that California is living today."

The President commended Brown's approach to immigrants in the state, saying that the Governor's efforts of respecting the human rights of all, regardless of citizenship, deserve recognition. Those who have made California their new home are all, women and men, good citizens, President Peña said.

"They contribute with their efforts, with their talent, with their abilities, and with their daily devotion to whatever task is at hand for the development and greatness of the state of California," he said.

Toward the end of his remarks, the President shared that he hopes other states will follow California's lead.

"Without a doubt, I wish the politics, the vision, the open attitude that the government of California is having becomes a great reference, and I wish it expands to the other entities of the American union and they recognize the contributions of their migrants to the development of their states and to all of the United States."

Highlights of the California-Mexico mission are available in the mission blog

<http://california-mexicomission.calchamber.com>.

[calchamber.com](http://calchamber.com).

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